

FTSE4Good semi-annual review June 2017

- 77 new companies to be added to the FTSE4Good Global Index
- 18 new companies from the Industrials sector; 16 Consumer Services companies
- 13 new Japanese firms enter the index
- 62 Companies added to the FTSE4Good Emerging Markets Index
- IBM, 3M Company and Colgate-Palmolive among the firms to join the index

FTSE Russell, the global index provider, today announces changes following the June 2017 FTSE4Good Index Series and ESG ratings semi-annual review.

The latest review sees 77 new additions to the FTSE4Good Global Index while 31 companies have been removed from the index, reflecting the high standards required for companies to maintain inclusion. Companies are assessed across over 300 data points, which are applied according to the industrial sectors and countries in which a company operates. The largest number of additions from this review came from the USA, which remains the largest contributor of companies to the index. 13 Japanese companies were added to the index with companies from a further 11 countries also added.

The 10 largest firms to be added to the index, in alphabetical order, are 3M Company, AIA Group Ltd, Analog Devices, Applied Materials, Celgene Corp, Colgate-Palmolive, IBM, KDDI Corp, Johnson Controls International PLC and Norfolk Southern Corporation. More details on the individual changes are available on [FTSE Russell's website](#).

FTSE Russell celebrated the 15th anniversary of its flagship ESG Index Series in December 2016 and there are now over 15 indexes in the global FTSE4Good series. FTSE4Good is part of FTSE Russell's wider and extensive Sustainable Investment offering which includes the recent launch of the Green Revenues (LCE) data model and FTSE Russell's first Smart Sustainability index.

The area of sustainable investment has changed dramatically with consideration of ESG factors now a core focus for most large institutional investors across asset owners, asset managers, consultants and bank. According to the latest data from Global Sustainable Investment Alliance*, there is now globally over \$22 trillion of assets being professionally managed under responsible investment strategies, an increase of 25 percent since 2014.



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High quality ESG data is essential for the construction of FTSE Russell's Sustainable Investment indexes and data. In February, London Stock Exchange Group [issued guidance](#), through its [Global Sustainable Investment Centre](#), setting out recommendations for good practice in ESG reporting. The report's intention is to help companies gain a clear understanding of what ESG information investors would like to see provided by companies. LSEG, as a leading international markets infrastructure provider connected to issuers, sell side and investors, is ideally placed to help promote good practice across the industry. The guidance builds on market standards such as the Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures report and the UN Sustainable Development Goals.

– Ends –

* http://www.gsi-alliance.org/wp-content/uploads/2017/03/GSIR_Review2016.F.pdf

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About FTSE Russell:

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$12.5 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

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